



Stakeholder Involvement Planning Guidelines

This Suite of Tools Includes:

Type	Name
Doc (MS Word)	Stakeholder Involvement Planning Guidelines
Doc (MS Word)	Stakeholder Involvement Identification Analysis Template
Doc (MS Word)	Stakeholder Involvement Commitment Template
Doc (MS Word)	Stakeholder Involvement Requirements Template
Doc (MS Word)	Stakeholder Involvement Planning Template

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Summary

The Stakeholder Involvement Planning Guidelines help program managers assess and develop an overall Stakeholder Involvement Strategy to support Transformation Management, also known as Organization Change Management (OCM) initiative. This assessment includes detailing the level of commitment and involvement required by all stakeholder groups impacted by the change, as well as identifying specific actions to create acceptance and buy-in throughout the program life cycle.

Application Guide

Purpose:

The Stakeholder Involvement Planning tools assist in identifying the stakeholders and their issues/ needs as well as in determining the involvement necessary for the transformation effort. This includes both identifying the degree of stakeholder involvement needed for the initiative and drafting a stakeholder involvement strategy to accelerate acceptance and buy-in.

Value to the Business:

Stakeholder involvement is critical for successful transformation management, although different initiatives will require varying levels of involvement for success. Effective identification and planning allows the program to build stakeholder involvement where needed throughout the program's lifecycle, in order to achieve a critical mass of stakeholder buy-in more quickly.

When to Use:

Use the Stakeholder Involvement Planning tools early during program initiation and acquisition phases to develop the comprehensive Stakeholder Involvement Strategy. If the program is either short-term (shorter than 12 months) or consists of a single phase, the use of this tool may be required only once. However, in longer programs where there are several phases with distinct beginnings and endings, it may be important to refer to the Stakeholder Involvement Planning Solution tools to support each phase or segment of work.

Principal Outputs, Work Products, and Deliverables:

Primary: Stakeholder Involvement Strategy.

Secondary: Stakeholder Involvement Identification and Analysis, Stakeholder Needs and Issues, Stakeholder Involvement Requirements, Stakeholder Involvement Database.

Introduction

The key reason for planning the how and when of each stakeholder group's involvement in the program is to increase receptiveness by increasing ownership of and commitment to the overall business solution and thus minimize resistance. People are always more committed to what they help create and have ownership stake in change taking hold in the organization.

For some changes, reaching a true level of commitment is not necessary; compliance alone will suffice (e.g., use of new forms or new expense procedures). For other changes, commitment is more essential and critical to successful implementation. People need to understand the business reasons for the change, and feel accountable for supporting the program and ensuring success. Building stakeholder commitment requires an investment of time and energy, thus it is best to assess the situation carefully before assuming it is the only course of action. One cannot obtain commitment by simply sending a memo, or holding a staff meeting. It is built over the course of the program lifecycle by providing people the opportunity to truly understand how they can participate in helping design the future, how things will work in the future and what is expected of them.

It is most effective to tailor stakeholder involvement approaches and strategies to the transformation management initiative to ensure achievement of the appropriate level of commitment and involvement at the overall program level. Most changes require a combination of commitment, "I want to do this!" and compliance, "I have to do this!" Determine what approach is best for each specific component of the program. Steps in developing a stakeholder involvement strategy should usually include:

- Identifying involvement strategies and specific actions to involve stakeholders in key events for early and sustained commitment.
- Identifying and communicating stakeholder involvement requirements to the sponsors, the program team members, and the stakeholder groups themselves.
- Developing a plan to ensure continuous involvement in the change process of all impacted stakeholder groups.

The Stakeholder Involvement Planning tools can be applied in several ways. Often the most effective is as a tool to prepare for or to structure one-on-one discussions with sponsors and program leaders. Other methods of developing appropriate stakeholder involvement strategies can also include:

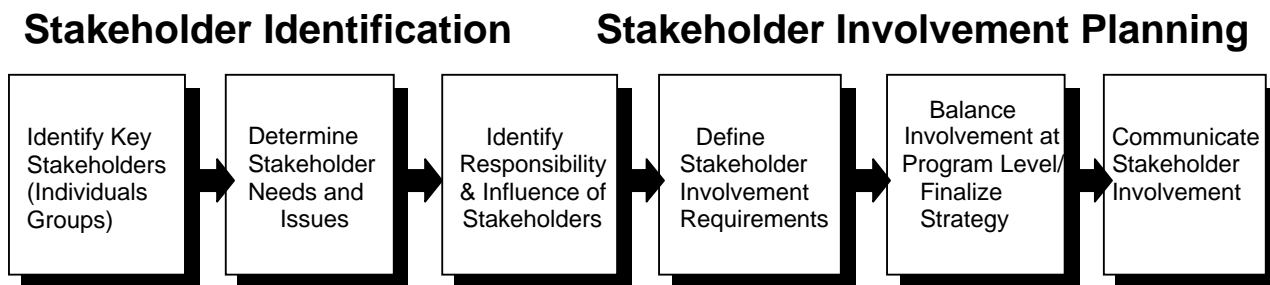
- Group discussions/focus groups
- Feedback compiled from various sources
- Questionnaires



Process Options

The following discussion outlines a complete process for identifying stakeholders and determining an appropriate involvement strategy. However, not all change initiatives will require that every step be formally conducted, and as with other transformation management activities supported by AEIOO's Transformation Management Guide, discretion is called for in determining which procedures are genuinely necessary and likely to add value for an individual program.

The following schematic indicates the major process steps to undertake on a given business. Details and process options follow:



Stakeholder Identification

Step 1: Identify Key Stakeholders (Individuals or Groups)

1. List stakeholders/ stakeholder groups impacted by the program. Stakeholders include, but are not limited to the following:
 - Executives
 - Middle management
 - Employees/ employee groups
 - Organizational functions
 - Special interest groups
 - Committees
 - External stakeholders (could include suppliers, customers, regulatory agencies, the community etc.)
 - Other customers
 2. Provide a general description of this group(s).
 3. List the approximate number of people in this/ these groups.
-



4. Identify critical characteristics of this group that may impact this effort:

Stakeholder Group	Description	Number

Critical Characteristics

Note:

The **Stakeholder Involvement Identification and Analysis Template** captures the above information.

Step 2: Determine Stakeholder Needs and Issues

For each stakeholder/ stakeholder group, assess the following:

1. Impact of change on members of the stakeholder group.
 1. Degree of change
 2. Scope of anticipated change (that is, the various ways in which the change will impact them)
 3. Pace of change
2. Anticipated stakeholder perceptions of and reactions to the change and other issues challenging stakeholders because of the change.
3. Potential impact to the organization.
4. The current level of stakeholder knowledge of the changes.
5. The potential levels of influence which the stakeholder group can exert on the organization, and the stakeholders' predisposition to take action
6. Sponsors, thought leaders, friends, and others who can influence stakeholders' perception to and reaction to change

Use the **Stakeholder Identification and Analysis Template** to document the needs and issues of stakeholders to allow for later planning. A completed example follows:



Stakeholder Group		Description		Approximate Number	
Employees		All employees of the organization		12,000	
Critical Characteristics					
Employees are assigned to business units, which have different products and identifications. Employees are located throughout a five-state area, with a significant number of them considered“field employees” who spend little if any time in typical office environments. Approximately 80% of employees are union-represented.					
Impact of Change	Perceptions and Reactions	Potential Organizational Impact	Stakeholder Knowledge Level	Level of Influence and Ability to Act	Sponsors, Thought Leaders, Friends
Employees will experience some type of change, whether: <ul style="list-style-type: none">• In the form of a job loss, job restructuring, new behaviors, new perf. expectations and measures, or new reporting relationships• In the form of elimination or consolidation of departments, new perf. expectations and measures, change in equipment or availability• in the emphasis on cost control, ROI, and increased emphasis on customer satisfaction The amount of anticipated change will vary among individuals and groups. At a minimum, the change is expected to be moderate in terms of most employees' job characteristics. Timing will vary. The frequency of change will escalate over the next 18 months, stabilize, and then begin a slight but gradual decline over a period of 36 months. Almost every employee will experience some degree of change over the next four to five years.	To date, employee perceptions of and reaction to the changes they experience are negative. As reported in the focus group findings, employees perceive the program to be a code word for staff reductions and layoffs. They claim to have experienced only negative results from program efforts to date.	Issues of significance to the organization include potential loss of employee commitment to the organization and its goals. Declines in productivity, quality, and customer service could be characteristics of an overall decline in job performance. Distractions could result in a loss of focus on safety.	Based on focus group results, employees' knowledge level about the program, its goals, and expected results is low.	Employees as a whole are in a strong position to influence the organization and its ability to achieve desired reengineering goals. Their predisposition to act or, equally important to become passive and non-committal, will be influenced by the degree to which they as individuals and small groups are impacted by change, and on their understanding of the reasons for the change. Potentially, however, employees can be assumed to have a moderate level of a predisposition to action.	These would most generally include immediate supervisors, co-workers, union leaders, and other employees who are considered thought leaders due to issues such as length of service with the organization.

Stakeholder Identification and Analysis Example

Impact of Change	Perceptions and Reactions	Potential Organizational Impact	Stakeholder Knowledge Level	Level of Influence and Predisposition to Act	Sponsors, Thought Leaders, Friends
Implications and Recommendations	Implications and Recommendations	Implications and Recommendations	Implications and Recommendations	Implications and Recommendations	Implications and Recommendations
<p>Implications of the different levels of change must be built into the Communication Strategy's themes, messages, and information.</p> <p>Messages must be targeted to those groups directly impacted, but with careful analysis of other stakeholders with an indirect relationship to the change.</p> <p>Reasons for changes must be solidly grounded within the context of the organization's business strategy as well as the program's goals, objectives, and business case.</p> <p>Because of the nature of the changes, the principle of communication that is relevant and timely becomes even more critical. It must be ensured that stakeholders first learn of changes from internal channels rather than external (e.g. media).</p> <p>The importance of face-to-face communication is underscored by the implications and must be included into the Communication Strategy</p>	<p>It is vital that short-term successes related to the program be communicated as soon as possible.</p> <p>The plans for staff reductions and layoffs must be carefully positioned within the overall business case and value of the program.</p> <p>As soon as possible, the impact of staff reductions must be communicated to dispel concerns among employees in groups not affected.</p>	<p>It is important that employees have a "release" mechanism through which to vent their frustration and to get answers to questions and concerns.</p> <p>The role of two-way communication with emphasis on upward channels must be addressed through the Communication Strategy.</p> <p>While not directly related to the Communication Strategy, supervisors and managers should be capable of assessing employee reaction to and concerns about the impact of the program; and have the motivation, knowledge, and skills to effectively and directly address issues related to service, safety, and quality.</p>	<p>Immediate steps must be taken to raise employee awareness of the program, its goals, and its expected results.</p> <p>Equal focus should be placed on answering two key questions as a means of positioning the above:</p> <ul style="list-style-type: none"> • Why are we changing? • Why are we changing now? 	<p>The Communication Strategy should treat employees as a significantly important stakeholder group, using multiple channels through which to communicate pertinent information.</p> <p>Thought should be given to the identification and use of informal thought leaders within the organization as both a communication and listening channel.</p>	<p>Recommendations related to the use of thought leaders, face-to-face communication, and sensitizing managers and supervisors should address this issue.</p>



Stakeholder Involvement Planning

Once the identification of the primary stakeholders and their issues is completed, it is important to understand each stakeholder's role in and impact on the change. There are additional steps to plan the correct level of stakeholder involvement on any given program.

Step 3: Identify Responsibility and Influence of Stakeholders

1. Identify decision-making roles with regard to the change.

These roles relate to the activities that comprise the change initiative itself, rather than the change management process that facilitates the initiative. For example, if the program involves package-enabled reengineering, the mapped decisions will pertain to such matters as systems requirements definition, package selection, testing, installation, etc. If using a traditional [RACI](#) model with the ***Stakeholder Involvement Requirements Template*** instead, apply the following distinctions:

R= Responsible: Implements the decision; needs to ensure that things happen.

A= Accountable: Makes the decision and has liability for results.

C= Consulted: Asked for input or review of work products.

I = Informed: Kept aware of status, benefits, and what will be changing.

2. Identify influence roles with regard to the change.

Influence roles deal with the power a particular stakeholder or stakeholder group may have over another stakeholder/ stakeholder group based upon their ability to “sway” another group in a particular direction, Influence roles are based upon one or more of the following:

- Reporting Relationships (supervisor, direct report, etc.)
- Skill/Expertise
- Labor Organization
- Prestige/Respect
- Political Clout
- Other

Note: The [Stakeholder Involvement Requirements Template](#) captures decision and influence roles along with involvement requirements.

Step 4: Define Stakeholder Involvement Requirements

1. Determine the amount and magnitude of transformation planned.

The extent of the transformation has a direct impact on the amount of stakeholder involvement required. When the amount and magnitude of transformation is minimal, a high degree of stakeholder involvement is not required. However, there are also other determining factors.

- Minimal: no transformation, small improvements, quick fixes only.
- Moderate: process improvement to fit the either Enterprise Resource Planning (ERP) or Continuous Business Process Improvement (CPBI) program initiative.
- Significant: processes reengineered and enabled by the package and/or people.
- Innovation: business transformed, package, people and process only a consideration.

2. Identify the speed/pace for this transformation effort.

- Identify if the transformation effort for ERP or CBPI initiative is going to be a fast implementation (time-boxed) or a measured phased implementation.

3. Identify the level of commitment required by the stakeholders.

- Identify the level of commitment needed from each stakeholder group, according to the Executive Sponsors and Change Leaders. Remember, not all stakeholder groups will require the same level of commitment. In addition, the level of commitment and involvement required for a given group will vary at different times in the program.
- Identify where stakeholders currently are ($\sqrt{}$ = current) with regard to desired change.
- Identify where stakeholders need to be (X = desired) in order to successfully accomplish desired change.
- Identify the gaps between the current and desired.
- Develop action steps to close the gaps.

The scale for required level of commitment supported by the **Stakeholder Involvement Commitment Template** ranges from -2 (strongly against) to +2 (strongly supports/advocates the OCM initiative). The table on the following provides an example of the rating scale used in the template. It is a good idea to re-evaluate the degree of commitment and involvement required by various stakeholder groups at key program milestones.

**Example:**

	Strongly Against	Moderately Against	Neutral	Moderately Supports	Strongly Supports/ Advocates
Stakeholder	-2	-1	0	+1	+2
Executive Team			√		X
Customer Service Reps		√		X	
Division Vice Presidents				√	X

Then Map the needed movement for each stakeholder (See Figure 1). It is most effective to perform the mapping by plotting the level of influence the stakeholder has on the success of the change against the stakeholders required level of commitment to the change. This provides a solid visual of the existing gap and the magnitude of involvement required to move the stakeholder. At key stages in the program, it is a good idea to re-plot the stakeholders to illustrate their progress.

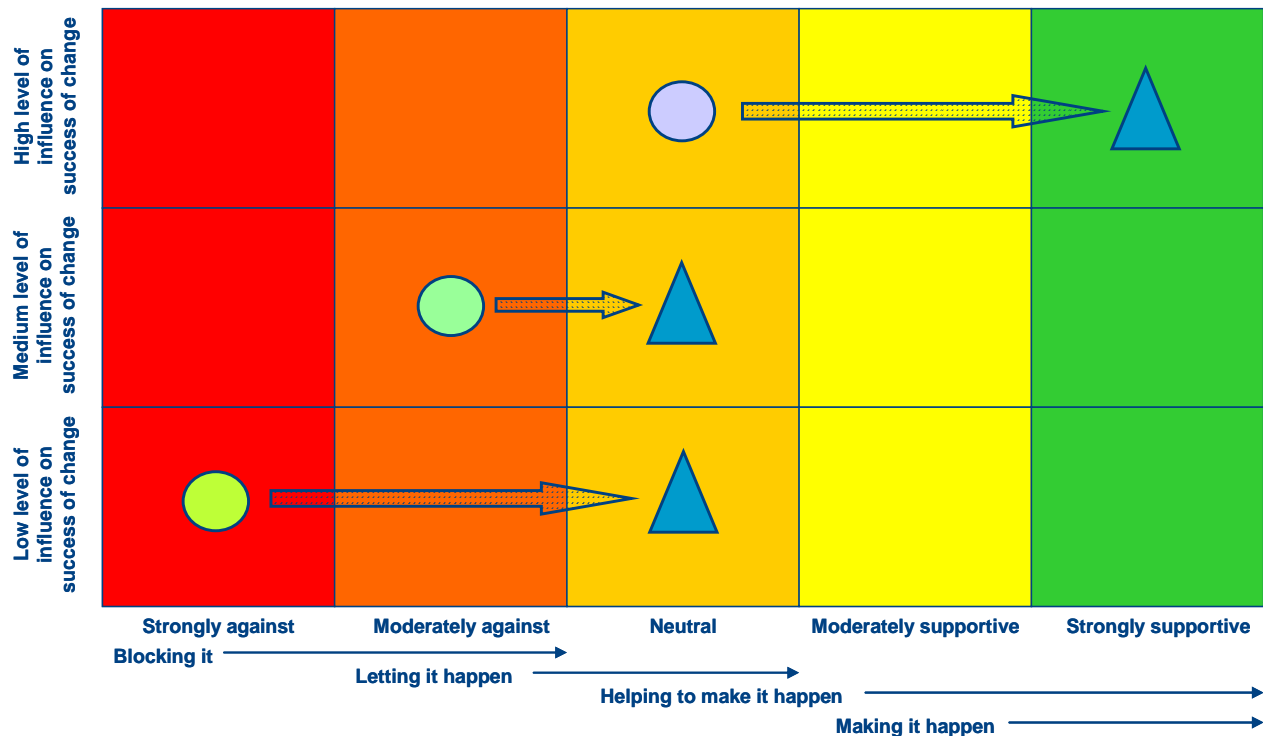


Figure 1 - Stakeholder Map

Note: Stakeholder Commitment impacts change capability

The level of awareness and involvement that stakeholders have in the change effort affects the organization's change capability. The behaviors of uncommitted stakeholders can slow down or even halt the organization's ability to implement change. In addition, the organization's culture can compound the problem by reinforcing stakeholder behaviors that, although not disruptive to the program, are not conducive to the organization's change capability.

Review the program's objectives in conjunction with the results of culture assessments to identify whether the Stakeholder Involvement Strategy will maximize the organization's ability to implement change.

4. Identify the consequences if that particular stakeholder group does not become involved or has an inadequate degree of commitment, for example:
 - Failure to get correct information on system usage → possible implementation problems at a particular site
 - No commitment to the overall vision → no performance change realized



- Failure to involve distributors in development of a process → distributors do not adopt the company's new process

Note:

Process steps 1 - 4 above in "Step 4: Define Stakeholder Involvement Requirements" are all supported by the **Stakeholder Involvement Requirements Template**. Process step 3 above supports the **Stakeholder Involvement Commitment Template**.

Stakeholder Involvement can take many forms, for example:

Some guiding thoughts to keep in mind when designing appropriate Stakeholder Involvement Strategies for different stakeholders or stakeholder groups are:

- Design Teams
- Focus Groups
- Stakeholder Review Teams
- Data collection events, e.g., focus groups
- Large scale change events
- Change agent roles
- Special meetings or problem solving activities
- Accelerated Solutions Environment (ASE)
- Pilots
- Rapid Solution Design Sessions

Step 5: Balance Involvement at Program Level

It is important to manage the process of stakeholder involvement to ensure that the correct amount of effort (not too much or too little) targets especially difficult, especially responsive, or especially visible stakeholders at the expense of other stakeholders whose involvement also matters to the success of the business change initiative. When taken, the following steps can balance involvement:

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- Review the stakeholder involvement approach with program team leaders and identify key program milestones or activities where various stakeholders will participate.
- Ensure that there is a balance across business units and levels in terms of the amount and timing of involvement opportunities and milestones.
- List all of the elements or components of the program (e.g., business case development, systems environment set-up, etc.) to develop an understanding of the critical stakeholder involvement opportunities for stakeholders most directly impacted by those components.

**Key Milestones for Stakeholder Involvement by Program Phase**

Stakeholders	Initiation	Acquisition	Implementation	Post-Go Live
Outside Agencies (Local, government, regulators)	Data for Business Case	Site Selection	Job Market/ Recruiting Strategies	Facilities Build- Out
Suppliers and Vendors		Outsourcing Options	Technology Enablement	Facilities and Technology Installation
Customers (Internal/External)	Expectations and Needs	Service Level Agreements	Solution Validation	Usage
Leadership/ Sponsors	Strategic Drivers/ Value Propositions	Governance Structures Operating Principles	Decision Making Approval Communication	Create Accountability
Employees	Short Term Improvements	Data and Information	Solution Design Piloting	Migration
	Initiative Portfolio Development	Solution Definition	Solution Development	Implementation

For example, if the organization implements a new customer kiosk in retail locations, it should involve customer groups in the design and testing of the screens. Document this approach in the plan and be sure to communicate it to the appropriate sponsors and program teams.

Identify the stakeholders best served by a proactive, high degree of commitment and those best served by a less participative, compliance-oriented approach.

Step 6: Finalize Approaches for Involving Stakeholders

Final steps in developing an effective Stakeholder Involvement Plan should normally include the following:

- Review existing approaches for involving stakeholders and investigate new approaches to enhance existing strategies.
- Select a mix of proactive and reactive approaches depending upon the nature of the element or the needs of the stakeholder group.
- Draft a Stakeholder Involvement Plan that includes individual stakeholder groups, the level of involvement required, and the actions taken to obtain the correct involvement and commitment.
- Develop and assign responsibilities for specific actions.
- Formalize approaches into a Stakeholder Involvement Strategy that can be used to track and monitor progress during the program lifecycle.

Note:

The [**Stakeholder Involvement Planning Template**](#) captures these final steps.

What can happen if commitment and involvement do not exist throughout the organization?

If commitment and involvement do not exist at a fundamental organizational level, there may be:

- Greater reluctance to accept the change initiative.
- Lack of coordination among implementation teams.
- An unwillingness to share knowledge and work as teams.
- Decisions made in isolation without stakeholder knowledge and perspective.
- Ultimately, more time and effort spent to attain commitment to the change initiative.



Remember, there are trade offs between high-involvement and low-involvement strategies. Keep these in mind when determining the correct level of stakeholder involvement for your particular initiative.

	<i>Trade-Offs</i>	
	High Involvement	Low Involvement
Cost	Higher	Lower (Initially)
Speed	Slower	Faster (Initially)
“Richness” of Solution	Greater	Less
Sustained Momentum	Higher	Lower

Note:

For the entire stakeholder identification and involvement process described above, MS Word forms (“templates”) exist. If the templates are used, apply them in the following order:

1. [Stakeholder Involvement Identification and Analysis Template](#)
2. [Stakeholder Involvement Commitment Template](#)
3. [Stakeholder Involvement Requirements Template](#)
4. [Stakeholder Involvement Planning Template](#)

Step 7: Communicate Stakeholder Involvement

Review the communication strategy and action plan. Use the Communication Planning tools and templates to assist with this task and place key messages of stakeholder involvement within the overall program change Communication Plan.

- Review the change-specific communication plan with all participants, including those expected to communicate internal and external to the organization.
- Look for specific communication opportunities focused on building stakeholder involvement and commitment.
- Has there been a coordinated announcement about the transformation effort or about pending involvement in the effort? For example:
 - Have the sponsors publicly supported the program in video, voice mails, etc.?

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- Is there a program newsletter and/or website?
- Have memos, e-mails or voice mails been distributed to those whose involvement is critical?
- Townhalls
- Develop specific messages to enhance stakeholder involvement.
 - Include information on the program in the stakeholder involvement messages:
 - What is the change program?
 - Why the change is occurring?
 - Why change now?
 - What are the benefits of the change?
 - Why stakeholder involvement is critical?
 - Above all, how can the stakeholders help the program?
- Assign responsibility for developing the stakeholder involvement communication.

Effective stakeholder involvement and communications are key to embedding change successfully.

<i>What happens when stakeholder involvement is poorly managed</i>	<i>What happens when stakeholder involvement is well managed</i>
• Resistance to the change, by not understanding and buying into the vision, due to its ineffective communication	• Buy-in to the case for change is enabled by effective broad communication of the
• No sustainability or benefits realization, with a loss of investment, eg: profit	• Commitment is encouraged through communication from active, visible
• Stakeholders disinterested and disengaged in the program and its goals, because of inadequate, inappropriate and ineffectively planned communication	• Resistance can be reduced and managed by an agreed program of two-way communication that is designed to involve
• Resistance to the change through being "told" and "talked at," with no scope for feedback	• Momentum is built by informing, educating, actively listening, and calling to
• Different and unmeasured levels of involvement and commitment, due to sporadic and varied management of people-related aspects of	• An organization's change capabilities are fostered managing stakeholders through a "change network" of leaders, agents and
• Skepticism and a lack of trust in the program, as a result of inconsistent messages, multiple and conflicting pulls on stakeholders' time with little notice or	• Acceptance as a trusted and credible program enabled through effective program processes
• Stakeholders not managed effectively, as related activities seen as "nice to have," a nuisance, waste of	• Active involvement is more likely, by stakeholder management goals into the network's personal objectives
• Stakeholders do not deliver planned benefits, as allowed to hide behind cultural barriers that hinder successful change	• Enthusiasm and ownership is built by cultural blocks and exploiting the enablers of